



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

24 December 3, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Los Angeles County
Board of Supervisors

December 03, 2013

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT
(ALL DISTRICTS)
(3 VOTES)**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina Ghaly, M.D.
Deputy Director, Strategic Planning

SUBJECT

To request Board approval for the Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts:

Patients who received medical care at County facilities:

- (1) Account Number Harbor-UCLA Medical Center – Various \$8,206
- (2) Account Number Harbor-UCLA Medical Center – Various \$8,333
- (3) Account Number Harbor-UCLA Medical Center – Various \$16,472
- (4) Account Number LAC+USC Medical Center – Various \$18,300
- (5) Account Number Harbor-UCLA Medical Center – Various \$50,000

Patients who received medical care at non-County facilities:

- (6) Account Number EMS – 537 \$4,550
- (7) Account Number EMS – 535 \$16,261

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www.dhs.lacounty.gov

To ensure access to high-quality,
patient-centered, cost-effective health
care to Los Angeles County residents
through direct services at DHS facilities
and through collaboration with
community and university partners.



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Total All Accounts: \$122,122

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (5) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases.

Patients who received medical care at non-County facilities: The compromise offer of settlement for patient accounts (6) - (7) are recommended because the County has agreements with certain non-County medical facilities under which it pays for emergency care provided to eligible indigent patients at those facilities. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$122,122.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, the Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma Funds.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:lg

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: DECEMBER 3, 2013

Total Gross Charges	\$32,599	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$32,599	Date of Service	Various
Compromise Amount Offered	\$8,206.29	% Of Charges	25 %
Amount to be Written Off	\$24,392.71	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$32,599 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$35,000 and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$14,000	\$14,000	40 %
Lawyer's Cost	\$2,555.08	\$2,555.08	7 %
H-UCLA Medical Center *	\$32,599	\$8,206.29	24 %
Other Lien Holders *	\$10,974.42	\$3,489.20	10 %
Patient	-	\$6,749.43	19 %
Total	-	\$35,000	100 %

* Lien holders are receiving 34% of the settlement (24% to H-UCLA Medical Center and 10% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: DECEMBER 3, 2013

Total Gross Charges	\$131,480	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$131,480	Date of Service	Various
Compromise Amount Offered	\$8,333.33	% Of Charges	6 %
Amount to be Written Off	\$123,146.67	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$131,480 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$8,333	\$8,333.33	33.33 %
Lawyer's Cost	-	-	-
H-UCLA Medical Center	\$131,480	\$8,333.34	33.34 %
Other Lien Holders	-	-	-
Patient	-	\$8,333.33	33.33 %
Total	-	\$25,000	100 %

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: DECEMBER 3, 2013

Total Gross Charges	\$60,282	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$60,282	Date of Service	Various
Compromise Amount Offered	\$16,471.50	% Of Charges	27 %
Amount to be Written Off	\$43,810.50	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$60,282 for medical services rendered. The patient has ATP with no liability and has an application pending for HWLA. If HWLA is later approved, the settlement amount will be refunded. The patient's third party liability (TPL) claim settled for \$50,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$16,500	\$16,500	33 %
Lawyer's Cost	-	-	-
H-UCLA Medical Center *	\$60,282	\$16,471.50	33 %
Other Lien Holders *	\$194.50	\$194.50	1 %
Patient	-	\$16,834	33 %
Total	-	\$50,000	100 %

* Lien holders are receiving 34% of the settlement (33% to H-UCLA Medical Center and 1% to others).

This patient is covered by ATP and as a condition of the ATP agreement; the County may pursue reimbursement from any responsible third party. Based on the information available, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: DECEMBER 3, 2013

Total Gross Charges	\$55,012	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$55,012	Date of Service	Various
Compromise Amount Offered	\$18,300	% Of Charges	33 %
Amount to be Written Off	\$36,712	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$55,012 for medical services rendered. The patient has a pending application for Medi-Cal. If Medi-Cal is later approved, DHS will bill Medi-Cal and refund the settlement amount. No other coverage was found. The patient's third party liability (TPL) claim settled for \$50,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$16,600	\$16,600	33 %
Lawyer's Cost	-	-	-
LAC+USC Medical Center*	\$55,012	\$18,300	37 %
Other Lien Holders*	\$4,500	\$4,950	10 %
Patient	-	\$10,150	20 %
Total	-	\$50,000	100 %

* Lien holders are receiving 47% of the settlement (37% to LAC+USC Medical Center and 10% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: DECEMBER 3, 2013

Total Gross Charges	\$564,397	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$564,397	Date of Service	Various
Compromise Amount Offered	\$50,000	% Of Charges	9 %
Amount to be Written Off	\$514,397	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$564,397 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$100,000, the policy limit carried by the party responsible at the time of the accident, and his insurance carrier (no attorney was involved) is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	-	-	-
Lawyer's Cost	-	-	-
H-UCLA Medical Center	\$564,397	\$50,000	50 %
Other Lien Holders	-	-	-
Patient	-	\$50,000	50 %
Total	-	\$100,000	100 %

* No attorney was involved in this settlement.

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: DECEMBER 3, 2013

Total Charges (Providers)	\$134,146	Account Number	EMS 537
Amount Paid to Provider	\$28,868	Service Type / Date of Service	Inpatient & Outpatient 7/4/2012 - 7/8/2012
Compromise Amount Offered	\$4,550	% of Payment Recovered	16 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Holy Cross Hospital and incurred total inpatient and outpatient gross charges of \$134,146 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$28,868. The patient's third-party claim has been settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$5,000	\$5,000	33 %
Los Angeles County*	\$134,146	\$4,550	30 %
Other Lien Holders*	\$1,467	\$1,467	10 %
Patient		\$3,983	27 %
Total		\$15,000	100 %

* Lien holders are receiving 40% of the settlement (30% to Los Angeles County and 10% to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 16% (\$4,550) of amount paid to Holy Cross Hospital.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: DECEMBER 3, 2013

Total Charges (Providers)	\$50,502	Account Number	EMS 535
Amount Paid to Provider	\$7,007	Service Type / Date of Service	Outpatient 1/25/2013
Compromise Amount Offered	\$16,261	% of Payment Recovered	232 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Holy Cross Hospital and incurred total outpatient gross charges of \$50,502 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$7,007. The patient's third-party claim has been settled for \$50,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$50,000)
Attorney fees	\$16,000	\$16,500	33 %
Lawyer cost	\$190	\$190	1 %
Los Angeles County*	\$50,502	\$16,261	32 %
Other Lien Holders*	4,316	\$3,463	6 %
Patient		\$13,586	28 %
Total		\$50,000	100 %

* Lien holders are receiving 38% of the settlement (32% to Los Angeles County and 6% to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 232% (\$16,261) of amount paid to Holy Cross Hospital.